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EXAMINER

HARBECK, TIMOTHY M

ART UNIT PAPER NUMBER

3628

DATE MAILED: 09/27/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

10/618,249

Applicant(s)

BRAKE ET AL.

Examiner

Timothy M. Harbeck

Art Unit

3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 17 July 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1 and 35-59 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1 and 35-59 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_.

- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_.

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 7/17/2006 has been entered.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

**Claims 1 and 35-59 are rejected** under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. The newly added limitation to claims 1 and 59 that states "wherein information related to each feature is stored on the multi-value card in a machine-readable format, wherein the machine readable format consists of a magnetic strip, an embossment, visible printing, RFID or any combination of a magnetic strip, an embossment, visible printing and RFID," constitutes new matter as it was not

Art Unit: 3628

originally described in the specification. There is a brief mention of 'visible printing' on page 7 of the specification (customer name) and 'embossing' on page 10; however there is never a discussion wherein the machine readable format *consists of* a magnetic strip, an embossment, visible printing and RFID as defined by the new limitation.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1 and 35-59 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cunningham (US Pat 6,014,645) in view of "Visa, MBNA and De La Rue Launch Multi-Function Smart Card Program," De La Rue Pic 7/06/1998 (hereinafter De La Rue).

**Re Claim 1:** Cunningham discloses a method using a computer system for a real time customer activation of a value card having a primary feature wherein the system automatically processes a customer's activation of the value card (Column 2, lines 9-29), said system including a data entry processing center, a workstation, a graphical user interface, and a data storing means (SEE FIG 1) comprising the steps of:

- Receiving said customer's request into said system (Column 2, lines 15-19)
- Providing at least one or more safety features to determine whether said customer is the person whose name is printed on said transaction card (Column 3, lines 23-26)

- Activating the transaction card by confirming the customers desire to activate the primary value card use (Column 4 line 65-Column 5 line 5)

Cunningham does not explicitly disclose the steps

- Wherein the value card is a multi-value card having a primary feature and at least one secondary feature; and

Wherein the steps of offering the options of activating the transaction card by

- Determining the customer's election to add a secondary credit card feature; and
- Identifying the customer's request to activate any additional features

De La Rue discloses a Visa smart card that will place the functions of several traditional bankcards onto a single microchip (single card). These additional features include a credit feature, a stored cash feature and a rewards program. De La Rue further includes the step of determining the customer's election to add a secondary credit card feature; and identifying the customer's request to activate any additional features in the discussion of allowing up to nine different reward programs on the smart card. Specifically noted is that the applications of such programs can be changed to target different cardholders (Page 1; paragraph 3). It would have been obvious to anyone skilled in the ordinary art at the time of invention to include the teachings of De La Rue to the disclosure of Cunningham to create a real time credit card application system and method that would include a multifunction credit card. Cunningham is concerned with locating offers for financial cards for customers. De La Rue discloses a type of financial card with multiple features. Therefore a person of ordinary skill in the

Art Unit: 3628

art would be motivated to include the card of De La Rue into the system of Cunningham since it represents a certain type of financial card that customers might be interested. By including a number of different financial card offers to the customers, Cunningham increases the odds that an appropriate match can be made, which is the ultimate motivation for the invention (Cunningham Abstract).

Finally Cunningham and De La Rue do not explicitly disclose the step wherein

- Information related to each feature is stored on the multi-value card in a machine-readable format, wherein the machine readable format consists of a magnetic strip, an embossment, visible printing, RFID or any combination of a magnetic strip, an embossment, visible printing and RFID

However, while De La Rue discloses the use of a smart chip feature, this is disclosed as a substitution for the “traditional magnetic stripe bankcards. (Page 2).” Therefore it would have been obvious to anyone of ordinary skill in the art to substitute the smart chip feature for the more traditional magnetic stripe as a simple design choice. Since the magnetic strip cards are more familiar to most merchants, most would be more comfortable with this format initially, at least until the smart chip card is widely implemented.

**Re Claim 35:** Cunningham discloses a computerized (SEE FIG 1) real time financial card application system comprising:

- A first activation activating at least one feature of the multi value card (Column 2, lines 9-29; activation is inherent in the acceptance of the offer)

- Allowing the customer to use the multi value card as a card having only said at least one feature (Column 2, lines 24-26). The step of accepting an offer indicates the customers intention to use the features of the cards (i.e. credit or debit feature)

Cunningham does not explicitly disclose wherein the value card is a multi value card nor does Cunningham disclose the step of offering to the customer a subsequent activation of the multi value card to add at least a second feature. De La Rue discloses a Visa smart card that will place the functions of several traditional bank cards onto a single microchip (single card). These additional features include a credit feature, a stored cash feature and a rewards program. Furthermore De La Rue discloses the step of allowing up to nine different reward programs on the smart card. Specifically noted is that the applications of such programs can be changed to target different cardholders (Page 1; paragraph 3). It would have been obvious to anyone skilled in the ordinary art at the time of invention to include the teachings of De La Rue to the disclosure of Cunningham to create a real time credit card application system and method that would include a multifunction credit card. It would be obvious then that a customer would have the ability to activate the different features that they desire so that they can have a single transaction card that is capable of performing functions that they deem appropriate.

Finally Cunningham and De La Rue do not explicitly disclose the step wherein

- Information related to each feature is stored on the multi-value card in a machine-readable format, wherein the machine readable format consists

of a magnetic strip, an embossment, visible printing, RFID or any combination of a magnetic strip, an embossment, visible printing and RFID

However, while De La Rue discloses the use of a smart chip feature, this is disclosed as a substitution for the “traditional magnetic stripe bankcards. (Page 2).” Therefore it would have been obvious to anyone or ordinary skill in the art to substitute the smart chip feature for the more traditional magnetic stripe as a simple design choice. Since the magnetic strip cards are more familiar to most merchants, most would be more comfortable with this format initially, at least until the smart chip card is widely implemented.

**Re Claim 36:** Cunningham in view of De La Rue discloses the claimed method supra and De La Rue further discloses wherein said features enable the customer to establish direct relationships with different companies (Entire article, specifically paragraphs 2 and 4)

**Re Claim 37:** Cunningham in view of De La Rue discloses the claimed method supra and De La Rue further discloses wherein at least one feature offered for activation is a transaction card enabling the customer to establish a direct relationship with an individual company (See paragraph 4; rewards features at particular merchants represent a direct relationship with an individual (particular) company)

**Re Claim 38:** Cunningham in view of De La Rue discloses the claimed method supra and Cunningham further discloses wherein at least one feature offered for activation is a credit card feature (Column 1, lines 15-17).



**Re Claim 39:** Cunningham in view of De La Rue discloses the claimed method supra and De La Rue further discloses wherein at least one feature is a rewards feature (Paragraphs 2 and 4)

**Re Claim 40:** Cunningham in view of De La Rue discloses the claimed method supra and while not explicitly disclosing sending the customer a card imprinted with the customers name in a direct mailing marketing piece, Cunningham does disclose the use of direct mailing for transaction cards (Column 1, lines 15-42) and it was notoriously well known, and therefore obvious to anyone skilled in the ordinary art at the time of invention, to include a preprinted card with the direct mailing information so as to expedite the time in which a customer can actually use the card. Without the preprinted card, the customer would have to wait for an additional piece of mail containing the physical card with their name.

**Re Claim 41:** Cunningham in view of De La Rue discloses the claimed method supra and De La Rue further discloses the step wherein at least one feature activated during said first activation is a transaction card feature and at least one feature activated in a subsequent activation is a credit card feature (End of Paragraph 1)

**Re Claim 42:** Cunningham in view of De La Rue discloses the claimed method supra and De La Rue further discloses wherein said transaction card feature includes a rewards feature (End of Paragraph 1).

**Re Claim 43:** Cunningham in view of De La Rue discloses the claimed method supra and while not explicitly disclosing wherein said rewards are based on a percentage of total amount spent during each transaction, this method for distributing

Art Unit: 3628

rewards points on a credit card is notoriously well known in the art and would therefore be obvious. In providing this method for distributing rewards points, customers are encouraged to spend more, with the idea that they will “get more back” in return.

**Re Claim 44:** Cunningham in view of De La Rue discloses the claimed method supra and De La Rue further discloses wherein the rewards feature can be redeemed or spent at a specific vendor (Paragraph 4; see dinner entrée example)

**Re Claim 45:** Cunningham in view of De La Rue discloses the claimed method supra and De La Rue further discloses wherein the rewards feature can be redeemed or spent at several vendors (Paragraph 4; “merchants”).

**Re Claim 46:** Cunningham in view of De La Rue discloses the claimed method supra and De La Rue further discloses wherein the rewards feature can be redeemed or spent at any vendor or merchant who accepts the logo printed on the transaction card (paragraph 4).

**Re Claim 47 and 48:** Cunningham in view of De La Rue discloses the claimed method supra and De La Rue further discloses wherein the rewards are credited against at least one of the other features of the card (paragraph 4; This essentially defines the rewards feature; purchasing a product with rewards points reduces the secondary credit balance up to the amount of the purchase).

**Re Claim 49:** Cunningham in view of De La Rue discloses the claimed method supra and while not explicitly disclosing wherein the customer must agree to establish a credit account with a payment amount source in order to activate the primary transaction card use, De La Rue discusses the combination of a credit, stored value and

loyalty functions onto a single smart card (paragraph 1), which means that these accounts are in fact established with a payment amount source prior to any other use.

**Re Claim 50:** As previously noted in the rejection of Claim 8, the multi function smart card combines the credit (credit card), stored value (debit card) and loyalty functions onto a single card, which establishes the payment amount sources as these particular cards. While not explicitly disclosing that the payment amount source is a check, it was well known in the art at the time of invention that often times a debit card is linked to a standard checking account, from which paper check can be written, and in a sense a debit card is just an electronic version of a paper check.

**Re Claim 51:** Cunningham in view of De La Rue discloses the claimed method supra and while not explicitly disclosing wherein the customer may automatically recharge the primary amount source when the payment source is depleted, this step was well known in the art at the time of invention. It has previously been established that the payment source can be either a debit card or a personal check that are almost always linked to a standard checking account at a particular bank. The step of automatically recharging the amount source when the payment source is depleted is therefore just a simple deposit of money into the account through an automated means such as a automatic deduction from a paycheck that is normally directly deposited into the account, a process that was notoriously well known in the art.

**Re Claim 52:** Cunningham in view of De La Rue discloses the claimed method supra and while not explicitly disclosing wherein the payment amount source is the secondary credit card feature, it was established in the rejection of claims 10-12 that the

payment amount source may be one of a credit card or debit card. De La Rue discloses that the multi purpose card can have a credit / stored value hybrid card, wherein the stored value card acts as the secondary feature. It would therefore be obvious, through the transitive property, that if the debit card can be the payment amount source as the secondary credit feature.

**Re Claim 53:** Cunningham in view of De La Rue discloses the claimed method supra and Cunningham further discloses wherein said activation steps include the use of telephone, Internet, personal computer means or a combination thereof (Column 2, lines 15-17)

**Re Claim 54:** Cunningham in view of De La Rue discloses the claimed method supra and while not explicitly disclosing mailing a direct marketing mail piece containing an inactive multi value card and directing the customer to contact the automated activation process center to activate the card, Cunningham does disclose the use of direct mail marketing (Column 1 lines 15-42), and it was well known in the art at the time of invention that direct mail marketing for credit cards includes an inactive card as well as instructions for activating said card. It therefore would have been obvious to anyone skilled in the ordinary art to include this feature with the disclosure of Cunningham in view of De La Rue so that the additional steps of mailing an active card to the customer can be eliminated, therefore making the process much more efficient.

**Re Claim 55:** Cunningham in view of De La Rue discloses the claimed method supra and while not explicitly disclosing the step of initiating an automatic numbering identification system, this process was old and well known in the art at the time of

invention as a way to relate specific customers to a specific transaction card or account. If a numbering identification system were not present, it would be difficult to track customer accounts and also leave customers vulnerable to fraudulent activities from third parties.

**Re Claim 56:** Cunningham in view of De La Rue discloses the claimed method supra and De La Rue further discloses the step wherein said first activation includes offering the customer an option to activate a primary transaction card feature, a credit card feature, an additional feature or combinations thereof (Paragraphs 1-2).

**Re Claim 57:** Cunningham in view of De La Rue discloses the claimed method supra and while not explicitly disclosing the step of updating the processing and statement account records, this step would have been obvious to anyone skilled in the ordinary art at the time of invention so as to have an up to date record of customer activities. If the account records were not updated on a regular basis, a customer could, for example exceed his maximum limit.

**Re Claim 58:** Cunningham in view of De La Rue discloses the claimed method supra and Cunningham further discloses an eligibility check (Column 2, lines 11-15; "meet specific criteria"). While not explicitly disclosing wherein the check is to determine whether or not the card has already been activated and what features if any have already been activated, this step would have been obvious to someone skilled in the ordinary art at the time of invention to prevent redundant offers from being sent to customers. If a customer has already activated a particular feature on the transaction card, it would be a waste of time and money to contact them with offers for that same

feature. Furthermore, checking on these features will allow the company to solicit appropriate offers to customers since they will have a record of which features the customer does not have as well.

**Re Claim 59:** Cunningham in view of De La Rue discloses the claimed method supra but does not explicitly disclose the step of offering at least one rebuttal offer for activation of a different feature if an offer for activation of a feature is declined by the customer. However, this step would be obvious to anyone skilled in the ordinary art at the time of invention, so that the company can both inform the customer of all potential features and also maximize their potential revenue. The point of offering multiple features on one card is to claim a larger share of a particular customers financial business. If a company did not provide a counter offer to a customer, should they decline an initial offer, the company could be losing out on revenue from a different feature that the customer would be more inclined to accept.

### ***Response to Arguments***

Applicant's arguments filed 07/17/2006 have been fully considered but they are not persuasive.

With regards to the applicants arguments concerning the written description requirement the examiner disagrees. The applicant contends that by disclosing well known examples of cards such as "credit cards, gasoline product cards, telephone calling cards, VISA credit cards, MASTERCARD credit cards, AMERICAN EXPRESS credit cards, debit cards and/ or the like that the various features of a magnetic strip, an embossment, visible printing and RFID or any combination thereof are, at least implicitly

Art Unit: 3628

disclosed and fully supported by the Specification" (Remarks page 7). Admitted prior art notwithstanding, the specification does not specifically list magnetic strips or RFID's, nor does it mention any combination of the aforementioned groups. These limitations were not originally listed in the claims or the specification and appear to be an attempt to work around the "smart chip" aspect of the cited reference. The examiner is not persuaded by the applicant's argument that the "magnetic strip and RFID" are implicitly recited, while the smart chip storing method is not, even though the smart chip is disclosed in the prior art. In other words a person of ordinary skill in the art would not read the specification and conclude, from the broad reference of various credit cards, that some well-known features of storing information on these credit cards are excluded unless explicitly stated. Since the originally filed specification did not support limiting the machine readable medium to the group consisting of: "a magnetic strip, an embossment, visible printing and RFID or any combination thereof," adding these limitations is improper.

With regards to the 103, obviousness type rejections, the examiner maintains. The applicant argues that the references do not disclose, "Information related to each feature is stored on the multi-valued card in a machine readable format, wherein the machine readable medium format consists of a magnetic strip, an embossment, visible printing RFID or any combination thereof (Remarks page 9). However in previous arguments the applicant admits that while all these particular limitations are not recited in the specification, they are implicitly disclosed in the fact that these aspects are well known to be included in credit cards, debit cards and/or the like (Remarks, Page 7). In

Art Unit: 3628

arguing that these limitations are implicit to the current invention, then such limitations must be implicit (or in other words obvious to include) in other disclosures involving credit cards, at the time of invention.

In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, the examiner believes that a person in view of Cunningham and DeLaRue, would find motivation to combine the references in that a single card with multiple functions is desirable in that customers can have a single transaction card that is capable of performing many different functions, as opposed to a more cumbersome system of multiple cards for multiple purposes. Furthermore Cunningham is concerned with locating offers for financial cards for customers. De La Rue discloses a type of financial card with multiple features. Therefore a person of ordinary skill in the art would be motivated to include the card of De La Rue into the system of Cunningham since it represents a certain type of financial card that customers might be interested. By including a number of different financial card offers to the customers, Cunningham increases the odds that an appropriate match can be made, which is the ultimate motivation for the invention (Cunningham Abstract).



In response to the applicants argument that De La Rue teaches away, a prior art reference that "teaches away" from the claimed invention is a significant factor to be considered in determining obviousness; however, "the nature of the teaching is highly relevant and must be weighed in substance. A known or obvious composition does not become patentable simply because it has been described as somewhat inferior to some other product for the same use." In re Gurley, 27 F.3d 551, 554, 31 USPQ2d 1130, 1132 (Fed. Cir. 1994). In the case of De La Rue, the smart chip technology is described as emerging market technology (page 1). Further mentioned as "traditional" methods include magnetic stripe bank cards (page 2). Therefore the traditional magnetic bank cards are disclosed as well known, but is disclosed as being the old and potentially inferior technology to the emerging smart chip cards, which serve the same purpose.

With regards to the applicants claim that the references do not disclose each and every limitation of claims 1 and 35, the applicant claims that the examiner merely states without citation, that certain limitations are claimed. The examiner has, in this action, included further citation from the reference along with additional explanation as to motivation to combine the pair.

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Timothy M. Harbeck whose telephone number is 571-272-8123. The examiner can normally be reached on M-F 8:30-5:00.

Art Unit: 3628

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

  
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